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MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
November 16, 1999

7:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 7:10 p.m., Tuesday, November 16, 1999, in the Library, Grafton High School, by Chairman Sheila S. Noll.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zarembo, Sheila S. Noll, and James W. Funk.

Mr. Meadows was absent.

Also in attendance were Daniel M. Stuck, County Administrator; and James E. Barnett, County Attorney.

JOINT MEETING WITH THE YORK COUNTY SCHOOL BOARD

School Board Members Present: Don Felling, Page Minter, Barrent Henry, and Barbara Haywood.

Also in attendance were Dr. Steven Staples, Superintendent of Schools, and Mr. Richard Hixson, Deputy Superintendent.

FISCAL YEAR 2001 BUDGET OUTLOOK

Mr. Stuck noted that the staff was 7½ months away from the start of the next fiscal year; and even though projections are being made now, it is felt that those projections are fairly accurate estimates. He stated that Mr. McReynolds and Mr. Jarrett have made a good faith effort to provide the two Boards with the best information possible.

Mr. Dennis Jarrett, York County Schools Director of Finance, spoke of the assumptions made in building the budget and revenue detail, noting that he and Mr. McReynolds would spend some time talking about employee compensation for both the Schools side and County side. He indicated they would also provide a summarization of the cost figures that will be looked at in working with the FY2001 budget. Mr. Jarrett then reviewed the Schools' FY2001 budget revenue assumptions dealing with enrolment, impact aid, and state revenue. He indicated it was a new biennium for the state budget, and the composite index will change. The average increase in state funding over the last six years was 4.3 percent, and staff projects an increase of about \$600,000 in federal impact aid.

Discussion followed on the impact of lottery money and current restrictions of its use.

Mr. James O. McReynolds, Director of Financial and Management Services, then briefed the Board members on York County's General Fund revenue outlook for FY2001 dealing with local revenue, state revenue, and federal revenue. He stated that compared to the FY2000 budget, moderate growth is expected. He noted the staff's concerns are the strength of the economy, state funding of current programs, and state changes to local taxing authority. Mr. McReynolds stated he was expecting a \$4 to \$4.2 million increase over the FY2000 budget.

MR. STUCK noted the figures were developed with the assumption that the Board of Supervisors will keep the tax rate at \$.86 and the Board does not lower any other tax rates.

Mr. McReynolds continued his briefing by discussing the non-licensed pay scale benchmarking, explaining that the benchmarking is done to maintain a pay plan which helps attract and retain qualified employees, maintain a pay plan which places pay ranges near the middle of the market, and maintain a pay plan which places starting salaries for positions near the middle of market area pay scales. He then listed the positions used in the benchmarking process and

discussed the characteristics of each position. He also explained the market areas that are used in benchmarking the positions. Mr. McReynolds indicated for non-licensed employees the County was looking at an increase in compensation of \$455,000 for pay scale steps, a market adjustment of 5.4 percent which equates to \$995,000, and a decrease in the Virginia Retirement System (VRS) contribution of \$400,000.

Mr. Jarrett addressed non-licensed employee compensation on the Schools' side, stating there would be an increase for pay scale steps amounting to \$390,000, a market adjustment of 5.4 percent which equates to \$837,000, an increase to the VRS contribution of \$70,000, and reinstatement of the VRS Life Insurance program at a cost of \$75,000. He then reviewed the licensed employee salary scale, explaining that the present scale was based on the 1995 Compensation Committee whose goal was to have the licensed personnel be in the top third of the local market. He listed the jurisdictions contained in the local market to which York is compared and provided the Board members with several charts depicting the ranking of York's licensed personnel with those of the jurisdictions in the local market. Mr. Jarrett indicated there would be a need for an increase to licensed employee compensation of \$480,000 for pay scale steps, \$330,000 for each 1 percent market adjustment given, an increase of \$160,000 for the VRS contribution, and \$220,000 to reinstate the VRS life insurance program.

Mr. McReynolds outlined and summarized the following committed funds or mandates which the School Division and County are committed to for FY2001:

- Non-Licensed Employee Compensation (Including VRS):
 - County \$1,050,000
 - School 1,372,000
- Licensed Employee Compensation:
 - Steps 480,000
 - 5.4% Market Adjustment 1,782,000
 - Teacher VRS Rate Increase 160,000
 - Teacher VRS Life Insurance Reinstated 220,000
- Other
 - Tourism—Lodging Tax 120,000
 - Utilities—Meals Tax 90,000
 - Full Year Funding of Compensation Board 120,000
 - Raises
 - Capital/Debt 200,000
 - Shared/Regional 250,000

Discussion followed on how substitute teacher pay is handled in the budget. Also discussed was absentee rates of teachers.

Dr. Staples noted that the two Boards have met early on in the budget process for a couple of years, and the staffs feel it is a good start to the budget season. He stated he felt there has been significant progress made in terms of goals, sharing, and trust between the two bodies. He spoke of the gains the two boards have made toward furthering the goals of the school system. Dr. Staples stated that compensation will be the driving force in this budget cycle, indicating it is a quantity issue this year rather than a quality issue due to the shortage of qualified applicants for history and English teachers.

Chairman Noll indicated that both Boards were made aware last year that salaries would be an issue in FY2001.

Mr. Stuck stated he had informed his staff that in terms of FY2001 all he would be able to recommend was a compensation increase, that he considered it to be the most critical issue to be addressed. He indicated the County would need to delay for a year or so some new initiatives in order to address compensation in this fiscal year.

Discussion followed on recruitment strategies for teaching positions.

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Meeting Adjourned. At 9:10 p.m. Chairman Noll declared the meeting adjourned sine die.

Daniel M. Stuck, Clerk
York County Board of Supervisors

Sheila S. Noll, Chairman
York County Board of Supervisors